GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

ITE&C Dept - IT Promotion – AP IT Policy 2014-2020 – Operational guidelines on fulfillment of conditions for notifying private built up IT office spaces as Designated Technology Park(DTP) and for administering the applicable/eligible incentives thereon to the IT/ITeS/Software Application Development companies/Units/entities and DTPs – Orders – issued

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INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No.1 **Dated: 05 / 02/2016**
Read:

G.O Ms.No:21, ITE&C Dept, dated: 17-10-2015
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ORDER

In order to motivate the IT/ITeS/Software Application Development companies /units, on par with other competing States, to invest and provide gainful employment in the new State of Andhra Pradesh, Government after careful consideration and examination, vide the Order read above, put in place the following Incentives to all the IT/ITeS/Software Application Development companies Units for taking private IT office spaces in DESIGNATED TECHNOLOGY PARK(DTP) and to private infrastructure providers /developers /builders /owners / lessors/Operators of DTP for providing state-of-the-art plug and play IT office spaces, on being notified as Designated Technology Park(DTP).

a) **Incentives for providing the following incentives to all the IT/ITeS/Software Application Development companies /Units for taking private IT office spaces in DESIGNATED TECHNOLOGY PARK(DTP):**

i) Lease Rentals Reimbursement: 50% of Lease Rentals paid for IT office space, in a notified DESIGNATED TECHNOLOGY PARK, *subject to a maximum of Rs.10 lakhs per annum*, for a period of THREE years, linked to the employment generated.
ii) Bandwidth (Internet charges) paid to Internet Service Providers: 25% of Bandwidth connectivity paid to Internet Service Provider by the IT/ITeS/Software Application Development companies /Unit, *subject to a maximum of Rs.15 lakhs per annum,* for a period of THREE years from the date of starting commercial production/operation.
iii) Reimbursement of fixed power cost @ Re.1/- per unit consumed for a period of 5 years from the date of commencement of commercial operations .
iv) Exemption of electricity duty and applicability of industrial tariff the IT/ITeS/Software Application Development companies/units after coming into commercial operations will be entitled for 100% exemption from Electricity duty for a period of 5 years, subject to the condition that meter/power service connection shall be in the name of the the IT/ITeS/Software Application Development companies /Units.
v) 100% reimbursement of the stamp duty Transfer Duty and Registration Fee paid to the Sub Registrar, Registration & Stamps Department, on rental/lease premium/ lease deeds on the first transaction and 50% thereof on the second transaction.

b) **Incentives for providing the following Incentives for 3 years to private infrastructure providers /developers /builders /owners / lessors/Operators of DTP for providing state-of-the-art plug and play IT office spaces on being notified as Designated Technology Park(DTP):**

i) 50% Reimbursement of Property Tax paid to the Local Municipal Authorities, proportionate and limited to the built up IT office space, rented/leased to the IT/ITeS/Software Application Development companies /Units .
ii) 50% Reimbursement of Insurance Premium on Building insured, proportionate and limited to the built up IT office space rented/leased to the IT/ITeS/Software Application Development companies/units.
iii) 50% Reimbursement of facility maintenance charges paid to Facility Management Companies, proportionate and limited to the built up IT office space rented/leased to the IT/ITeS/Software Application Development companies/units , *subject to a maximum of Rs.5 lakhs per annum.*

iv) 50% Reimbursement of one time cost creating common infrastructure like Conference hall with equipment such as projection/audio/video systems, Server room, Cafeteria etc. for the entire building\IT facility, *subject a maximum of Rs.10,00,000*/- .
v) Reimbursement of 10% of the total interest paid on the loan obtained from any financial institution, for Construction of IT office spaces by private infrastructure providers/developers/builders/owners/lessor.

c) Reimbursement of PF to a maximum of Rs 2000/- per month per employee for newly created positions by IT Companies for a period of 2 years, subject to the condition that such employment created is sustained for 2 continuous years. The reimbursement will be effected after the verification of employment data from the PF submission. This incentives is available to all the IT/ITeS/Software Application Development companies, whether existing or new, for addition/fresh/expansion of employees.

d) Any entity availing benefit/incentive under any other Policy of ITE&C Dept of Govt of AP, in force, shall not be eligible for availing benefit under this DTP guidelines.

3. The owners of already having built-up/to be built within one year office spaces on Plug & Play basis anywhere in AP, can apply for being recognized as Designated Technology Park (DTP). These incentives are made applicable to all the IT/ITeS/Software Application Development companies Units and Designated Technology Parks for availing the benefit within one year from the date of notification of the Policy Guidelines. The above benefits are available for all the the IT/ITeS/Software Application Development companies /Units and recognized Designated Technology Parks for three years, if availed under this Policy within one year.

4. In this regard, as part of implementation mechanism of the DTP Scheme and in order to seamlessly administer the applicable/eligible incentives thereon to the the IT/ITeS/Software Application Development companies and DTPs, Government hereby stipulates the following Mandatory Requirements for buildings to qualify for DESIGNATED TECHNOLOGY PARK(DTP) Status under this Scheme:

Facility	Details
Legal Clarity of the property	• Clear & unencumbered Title of the original owner of the super structure • Undertaking to obtain Building Occupancy Certificate within three months of completion of construction. In the case of new buildings
Floor Plate Size	• Min. Size: 10000 Sqft., Optimal is 30000 Sqft.
Ceiling Height	• 7’ to 7’ 6” ft below the false ceiling • 9’ to 9’6” below beams
Occupation Requirement	• Min 75% usable, optimal is 80%. With clear indication in the drawing
Air Conditioning	• Central Air-Conditioning Provision • Provision for AC Ducts, AHU Rooms • In case of Package Air conditioners they should be ceiling mounted
Electrical Power	• A minimum of 0.8 KW/100 sq. ft. of Power is required • On site Power Back-up of a minimum 100% must be provided (Diesel Generators, etc.,) to support office equipment, lighting and 50% for air-conditioning • Additional power Back-up for Emergency Lighting & Critical Facilities to be provided. • Power Factor of the load should be in the range of 0.8 to 0.9 for better energy efficiency
Back up power	• Facility should have UPS backed up power support for at least 20 mins. before the backup generator is switched on
Telecommunication and Data Communication network interface	• Provisions for False Flooring for sever room and Structured Cabling in the Building. Facility should have for Wi-Fi connectivity • Availability of Adequate Telephone lines (For Example – In-house Telephone Exchange (EPABX) with at least 1:4 ratio (every 4 engineer 1 extension) • Optic Fiber Connectivity or Ethernet connectivity for internet connection • Additional Optical Fiber for Dedicated Leased line connectivity

Internal Wiring connection for data and power connections	• Provided with concealed ducting for Power, Telecom and Data Cables in each hall of the Building.
Fire Protection Mechanism	• Integrated Fire Alarm System and Fire Sprinkler System • Required number fire extinguishers as per the National Fire Prevention Code. • Separate fire exit for quick evacuation
Security	• Biometric or RFID based access control system with separate in – out readers
Parking	• 40% of the carpet area should be allocated for parking
Adequate Toilet facilities	• Adequate number of Washroom should be provided for both male and female employees • 24 Hr water supply in the wash rooms should be ensured.
Seating	• Should be modular and meeting standard ergonomic requirement for long period sitting • Should be well illuminated • Each seating should have sufficient power outlets and networking outlets (Ethernet 100Mb/1Gb) with concealed cabling • Each seat should have UPS provision for all the sockets • Should have outlet for connecting a telephone
Insurance	• Building should be insured for all types of losses

5. In case of Lessor operating the DTP, an irrevocable registered Lease Deed for a period of not less than 3 continuous years from the owner of the Super structure is mandatory and required to be furnished at the time of application for notifying the DTP.

6. IT/ITeS/Software Application Development companies/units shall enter into a registered Lease Deed with the infrastructure providers /developers /builders /owners / lessors/Operators of DTP for at least three years.

7. The Requirements or criteria for the IT/ITeS/Software Application Development companies/units to avail the benefits under Designated Technology Park (DTP) Scheme are as at **Annexure-1**. Application Format for by IT companies/entities/Lessees, taking office space in Designated Technology Park is stipulated at **Annexure -2** and application form for claiming incentives under DTP Scheme by IT companies/entities/Lessees is at **Annexure 2B.** The Application Format for being notified as DTP under Designated Technology Park Scheme is stipulated as at **Annexure-3** and Application Form for claiming benefits/incentives under by DTP Operators/Owners/Lessors is at **Anneure-3A.**

8. Incentive/benefits claims under these guidelines shall be considered for release once in three months.

9. The DTP Scheme will be in force for a period of one year from the date of issue of this Order and these Operational Guidelines are applicable with immediate effect.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

G. S. PHANI KISHORE
Spl. SECRETARY TO GOVERNMENT

To
All the Departments of Secretariat
The Commissioner and I.G., Stamps and Registration, Hyderabad
The Vice Chairman and Managing Director, APIIC, Hyderabad
The Commissioner, Industries, Andhra Pradesh
The Commissioner, Information and Public Relations, Andhra Pradesh
The Member Secretary, A.P. Pollution Control Board, Andhra Pradesh
The Chairman & MD, AP TRANSCO
The Managing Director, APEPCPDCL /SPCPDCL
The Commissioner, Labour, Andhra Pradesh
The Vice Chairman, VUDA/TUDA/VGTMUDA
All the District Collectors & Magistrates, AP

All the Municipal Commissioners, AP,
The Development Commissioner, VSEZ, Visakhapatnam
The Director, STPI, Andhra Pradesh
The President, ITsAP, Andhra Pradesh
The Regional Director, NASSCOM, Andhra Pradesh,

The President, VITA, Visakhapatnam,
The President, RITPA. Visakhapatnam
The President, GITA, Kakinada
The President, KITA, Vijayawada

Copy to:
The Secretary to GOI, Department of Electronics & Information Technology (DeitY)
The Ministry of Communication & Information Technology, New Delhi
The Chief Minister's Office/Chief PRO to C.M.
The Chief Commissioner, Customs & Central Excise, Hyderabad
The OSD to Minister for Information Technology, Andhra Pradesh
The PS to Minister for Finance, Hyderabad
The PS to Minister for Major Industries, Andhra Pradesh
The PS to Minister for Revenue, Andhra Pradesh
The PS to Minister for MA&UD, Andhra Pradesh
The PS to Minister for Energy, Andhra Pradesh
The PS to Minister for Labour, Andhra Pradesh
The PS to Spl CS Planning, Andhra Pradesh
The PS to PFS, Andhra Pradesh
The PS to Principal Secretary to CM Andhra Pradesh
The PS to Chief Secretary to Govt

//FORWARDED BY ORDER//

SECTION OFFICER

Annexure: 1

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No.1, dated: 05 /02/2016

Requirements or Criteria for the IT/ITeS/Software Application Development companies/units to avail the benefits/incentives under Designated Technology Park (DTP) Scheme

Requirement	Details
Type of Business	• IT & ITES (software application development and BPO/KPO services)
Employee-Space ratio	• For IT for every 100 Sq.ft area (including common area) one employee • For ITES for every 60 Sq.ft of area(including common area) one employee
Incorporation	• Should have a registered office or billing point located in any of the 13 districts of Andhra Pradesh
Number of Employees	• Minimum 10 for the first 6 months should reach at least 100 in 3 years and • Employees should work out of the facility rented. Onsite deployment will not be allowed
Type of Employees	• Should be new recruits (or transferred from other states). List of Employees with their job titles shall be certified by the Chartered Accountant and nominee of NASSCOM
Business Viability	• Should present plan for minimum of 3 years
Agreement for the space	• Should enter into registered lease for at least 3 years with the infrastructure providers /developers /builders /owners / lessors/Operators of DTP
Infrastructure	• Desktops and laptops to be provided by the respective companies which lease space • Any special network connectivity will be borne by the respective companies (Leased lines, premium internet lines etc.) • Severs/ Router/gateways to be provided by the respective companies • Network maintenance for each is the responsibility of the respective companies • Companies should provide identity cards for the employees which is compatible with the security and access system of the building to ensure safety
Employee related aspects	• All employees should have registered with EPF in Andhra Pradesh • Where ever applicable employees should be registered with ESI of AP state • In the case of ITES and employees working shifts, safety of the employee is the responsibility of the employer and proper provisions for transport and security need to be provided by the respective employers

DECLARATION

I hereby declare that the information furnished above is correct, true and to the best of my knowledge and in case at any point of time it is found that the same is found to be false or tampered or fabricated, this application is liable for cancellation and we accept any other penal action imposed by Government.

SIGNATURE OF THE APPLICANT

G. S. PHANI KISHORE
Spl. SECRETARY TO GOVERNMENT

Annexure: 2

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No.1, dated: 05 /02/2016

Application Format for IT Companies taking office space in Designated Technology Park for availing incentives under DTP Scheme

Name of the Company		
Registered Office /Billing Point Address		
PAN No:		
Year of Incorporation		
Type of Company	☐ LLP☐Pvt. Ltd.	
Type of Business	☐ IT☐ITeS ☐ Software Application Development	
Contact Person Details		
Projected Employee count (Type/cadre/count)	Year 1: Year 2: Year 3:	
Total No of Employees		
Current Turn over (in Lakhs)		
Address/Details of the Building Selected		
Is the building approved under DTP	☐ Yes	☐ No
In case the DTP building is operated by Lessor, pl furnish the details of the Owner, Name/Address/PAN NO:		
Number of Seats Required	☐ IT	☐ ITeS
Amount Space Required (in Sq. Ft)		
Expected Electrical power Needed(in Watts)		
Do you need a dedicated Server Room	☐ Yes	☐ No
Do you need dedicated Data/Voice Communication	☐ Yes	☐ No
Do you need Common Cafeteria/Conference Space	☐ Yes	☐ No

DECLARATION

I hereby declare that the information furnished above is correct, true and to the best of my knowledge and in case at any point of time it is found that the same is found to be false or tampered or fabricated, this application is liable for cancellation and shall accept any other penal action, imposed by Government

SIGNATURE OF THE APPLICANT

G. S. PHANI KISHORE
Spl. SECRETARY TO GOVERNMENT

Annexure-2A

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS DEPT

GO Ms. No:1, dated:05 -02-2016

APPLICATION FOR CLAIMING INCENTIVES UNDER DTP POLICY BY LESSEE IT COMPANY/Entity*

*These incentives/benefits are not available if the IT company/entity Applicant is DTP Operator/Owner/Lessor)

IT Company/Entity Details:

Company Name:_____ Company address :_____
District: _____ Mandal: _____
Village: _____ Pin Code : _____
MD/Director/Mg Partner/Partner
Names: 1._____
2._____
3._____
Constitution of Organization : (Private Company/Public Limited Company/Partnership/Society/Firm/single/proprietary/entity)_____
Company URL:_____

Address for Communication:

Contact person Name: _____ State: _____
Door No: _____ locality/Landmark: _____
District: _____ Mandal: _____Village: _____
Pin Code: _____
Activity : ☐ IT ☐ ITES ☐ Electronics ☐ Animation ☐Social Media ☐ Mobile Communication ☐ BPO ☐ Call Center ☐ Cloud
Date of Incorporation/formation Of company/firm/entity: _____
Date of Commencement of Commercial Operations:_____
Total Investment: _____ Electricity Service Connection No :_____

Last Three years performance Details (In Lakhs Of Rupees)(E.g. Enter 100 for 100 Lakhs):

YEAR	EXPORT TURNOVER	DOMESTIC TURNOVER	TOTAL TURNOVER	TOTAL NO. OF EMPLOYS

Bank Details:

Account No: _____Branch Name_____
Branch IFSC Code_____ Location _____

Documents List:

1. MOA, AOA or Audited Statement Mentioning the current share holding pattern and current Directors of the company
2. Latest Audited balance Sheet& P&L Statement (Giving Investment / Turnover figures)
3. Certificate of Incorporation

Incentive Applied For:

☐ Reimburse of Fixed Power Cost ☐ Internet Bandwidth Subsidy ☐ Lease Rental Subsidy
☐ Reimbursement of PF ☐ Reimbursement of 100%/ 50% Stamp Duty

- ✓ Tick Box whichever is applying

Reimbursement of Fixed Power Cost:

Amount Claimed : _____

Documents List:

1. Enclose Letter / Document from concerned DISCOM that the electricity meter/sub-meter/ service connection is in the name of the company
2. Electricity Bill and Payment / Receipts made

Internet Bandwidth Subsidy :

Amount Claimed : _____ Band Width : _____

Internet Service Provider :_____

Documents List:

1. Internet Bills& Payment / Receipts made
2. Proof of IP Address and location of usage

Lease Rental Subsidy :

Amount Claimed : _____

Documents List:

1. Invoice / Payment made to the Lessee pertaining to lease rentals
2. Lease Agreement
3. TDS Made, while making payment to DTP Operator

Exemption for electricity Duty:

Amount Claimed : _____

Documents List:

1. Enclose Letter / Document from concerned DISCOM that the electricity meter/sub-meter/ service connection is in the name of the company
2. Electricity Bill and Payment / Receipts made

Registration & Stamp Duty : Reimbursement – (100% / 50%)

Amount Claimed : _____

Documents List:

1. Invoice / Receipts paid towards registration charges, stamp duty and transfer fee to the
2.
3. Lease Agreement/Deed

PF Reimbursement:

No.of Positions Created: _____

Amount Claimed : _____

Documents List:

1. List of employees
2. PF Returns, Paying position of employee, Certified by PF Commissioner
3. Certificate from Chartered Account indicating no of employees, date of joining, employer contribution of PF amount remitted to PF Commissioner.

DECLARATION

I UNDERTAKE THAT THE INFORMATION FURNISHED BY ME IS TRUE TO THE BEST OF MY KNOWLEDGE AND IF ANY INFORMATION OR CLAIM MADE IS FOUND FALSE/INELIGIBLE, THE SAME CAN BE RECOVERED WITH PENAL INTEREST THEREON AS IS DECIDED BY THE GOVERNMENT

SIGNATURE OF APPLICANT

G. S. PHANI KISHORE
Spl. SECRETARY TO GOVERNMENT

Annexure:3

INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS (Promotions) DEPARTMENT

G.O.Ms.No.1, dated: 05 /02/2016

Application Format* for being notified under Designated Technology Park Scheme

Name of the Owner/Lessor/Operator	
PAN NO	
Address of the of the Building	
Year of completion & Type of Construction	
In case of Lessor/Operator of DTP, details of the Owner, NameAddress/PAN NO:	
Legal Clarity of the property	Attach Title copy of the Document of the original owner of the super structure
Is the building under Hypothecation/Pledge	☐ Yes ☐ No
Floor Plate Size	Attach the copy of the building Plan
Ceiling Height	
Number of Seats that are available	IT ITeS
Air Conditioning	
Electrical Power	
Back up power	
Telecommunication and Data Communication network interface	
Internal Wiring connection for data and power connections	
Fire Protection Mechanism	
Details of Water connection	
Security	
Parking(No of Cars/2 Wheelers)	
Toilet facilities	
Does the building have common cafeteria space? (size in Sq. Ft.)	
Does the building have common Conference Hall ? (size in Sq. Ft.)	
Any other common facilities (size in sft) – pl specify	
Insurance Premium Payable/paid	
Annual Property Tax Payable/paid	
Rent Expected (Rs/Sq Ft)	
Whether fulfils all the mandatory requirements as specified in the DTP Scheme	

DECLARATION

I hereby declare that the information furnished above is correct, true and to the best of my knowledge and in case at any point of time it is found that the same is found to be false or tampered or fabricated, the notification of the DTP is liable for cancellation and we shall accept any other penal action, imposed by Government

SIGNATURE OF THE APPLICANT

G. S. PHANI KISHORE
Spl. SECRETARY TO GOVERNMENT

*To be furnished on Rs.100/- non-judicial stamp paper

Enclosures:1)Building Plan Approval 2)Fire & Safety Approval 3)Electrical Fitness Approval 4)Approval from Food Inspector for Canteen/common area.2) Latest IT Return filed.

Annexure-3A
INFORMATION TECHNOLOGY, ELECTRONICS & COMMUNICATIONS DEPARTMENT
GO Ms. No:1, dated: 5-02-2016

APPLICATION FOR CLAIMING NCENTIVES UNDER DTP POLICY BY DTP OPERATOR/LESSOR/OWNER*

(*These incentives/benefits are not available if the DTP Operator/Owner/Lessor is an IT Company/Entity)

DTP Name:_____ address :_____
District: _____ Mandal: _____
Village: _____ Pin Code : _____
MD/Mg.Parter/Director/Partner/Sole Proprietor:
Names: 1._____
2._____
3._____
(Private Company/Public Limited Company/Partnership/Society/firm/single/proprietary/entity)_____ Company URL:_____

Address for Communication:

Contact person Name: _____ State: _____
Door No: _____ locality/Landmark: _____
District: _____ Mandal: _____Village: _____
Pin Code: _____
Date of Incorporation/formation Of firm/company/entity: _____
Total Investment: _____ Electricity Service Connection No. of DTP :_____

Last Three years performance Details (In Lakhs Of Rupees)(Rs.in Lakhs):

YEAR	TURNOVER	NO. OF EMPLOYS

Bank Details:

Account No: _____Branch Name_____
Branch IFSC Code_____ Location _____
Documents List:
1. MOA, AOA or Audited Statement Mentioning the current share holding pattern and current Directors of the company/firm
2. Latest Audited balance Sheet& P&L Statement (Giving Investment / Turnover figures
3. Certificate of Incorporation

Incentive Applied For:

- ☐ 50% Reimbursement of Property Tax ☐ 50% Reimbursement of Insurance Premium
- ☐ 50% Reimbursement of facility maintenance charges
- ☐ 50% Reimbursement of onetime cost of creating common infrastructure.
- ☐ Reimbursement of Interest paid on loan obtained from financial Institution.

✓ Tick Box whichever is applying

50% Reimbursement of Property Tax :

Extent of office space leased to IT Company
Total Property Tax paid
Proportionate Property Tax Amount of IT office space paid

Claim Amount: _____

i. Enclose copies lease agreement with lesser IT Companies
ii. Enclose demand notice and receipt of Municipal Tax paid

50% Reimbursement of cost of creation of Common Infrastructure:

List of common facilities created
Total Plinth built up area / carpet area meant for common facility
Break up of cost(structural/movable equipment cost incurred on each of the amenity/common facility , like conference area, canteen, server room, a/v equipment, created: _____

Claim Amount: _____

i. Enclose Building Internal Plan with comm. on facilities area / photos
ii. Enclose bills an amount spent on creation of common area.

50% Reimbursement of Insurance Premium:

Extent of office space leased to IT Company:_____
Total Insurance Premium paid:_____
Proportionate amount of Insurance premium paid for IT Office space leased: _____
Claim Amount: _____

i. Enclose lease agreement with lesser IT Companies
ii. Enclose receipt Insurance Premium
iii. Insurance Policy and cover note
iv. Certificate to the effect that the claim amount is calculated limited to structure of the building.

50% Reimbursement of facility maintenance charges:

Total Amount paid to the Facility Maintenance Agency(FMA):_____
Proportionate Amount of Facility maintenance charges for IT office space leased:_____

i. Enclose Facility Maintenance Contract with FMA
ii. TDS deducted while making payment of Facility Maintenance charges to FMA
iii. Lease Agreement of IT Office spaces leased.

Reimbursement of Interest paid on loan amount obtained from Financial Institution:

Total Interest amount paid on loan obtained from Financial Institution: Rs._____
Claim Amount Rs_____

I Enclose Certificate from Financial Institution on the amount of loa n obtained and the interest amount paid thereon

2 Certificate from Chartered Accountant on the construction cost.

DECLARATION

I UNDERTAKE THAT THE INFORMATION FURNISHED BY ME IS TRUE TO THE BEST OF MY KNOWLEDGE AND IF ANY INFORMATION OR CLAIM MADE IS FOUND FALSE/INELIGIBLE, THE SAME CAN BE RECOVERED WITH PENAL INTEREST THEREON AS IS DECIDED BY THE GOVERNMENT

SIGNATURE OF APPLICANT

G. S. PHANI KISHORE
Spl. SECRETARY TO GOVERNMENT